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**STATE OF IOWA
LEGISLATIVE FISCAL BUREAU**

State Capitol
Des Moines, Iowa
50319

MEMORANDUM

To: Program Elimination Commission

REVISED

From: Beth Lenstra, Legislative Fiscal Bureau

Date: September 26, 2002

Re: Administration of Community-Based Corrections (CBC)

The CBC system is an alternative to incarcerating persons convicted of low-risk criminal offenses and work release offenders returning to Iowa communities. The CBC District Departments serve the same geographic area as the judicial districts in Iowa's court system.

Pursuant to Chapter 905, Code of Iowa, each CBC District Department is a separate agency under the direction of a board of directors and is administered by a director employed by the board. Each CBC board sets policy, oversees program operations, and approves budget requests that are then submitted to the State Board of Corrections. A member of each county board of supervisors within the judicial district serves on the District Department Board. Also, one member from each project advisory committee in the judicial district serves on the board, or in lieu thereof, the District Department Board may appoint two citizen representatives. In addition, the Chief Judge of the judicial district appoints either the same number of members as citizen representatives, or the same number of members from project advisory committees. Each CBC District Department has one or more advisory committees.

The CBC's are locally administered within the eight judicial districts. Policy and program development is primarily locally controlled. Each CBC District Department is responsible for establishing those services necessary to provide a program that meets the needs of the judicial district. Each CBC District Department contracts annually with the Department of Corrections (DOC) to provide pre- and post-institutional services.

The DOC has regulatory responsibilities for CBC programs, including statewide planning, budget oversight, establishment of program guidelines, and development of performance measures. The General Assembly allocates funds to each CBC District Department, through an appropriation to the DOC. The CBC District Departments receive 25.0% of the appropriation quarterly. These funds are invested and the interest earned is part of each District Department's operating budget.

State funds appropriated to CBC District Departments have increased by 114.4% since FY 1990 while the number of offenders supervised in CBC has increased by 66.6%. Revenues and expenditures of the CBC District Departments are not included in the Iowa Finance and Accounting System (IFAS); personnel costs are not included in the State's payroll system. Each CBC District Department has its own financial system. According to Section 905.8, Code of Iowa, the DOC is required to provide quarterly CBC financial statements to the Legislative Fiscal Bureau (LFB). However, not all CBC District Departments file the reports with the DOC in a timely fashion.

The growth in both budgets and the number of offenders supervised, plus the lack of financial data, has created an accountability issue for the current system. Listed below are the advantages and disadvantages of the current system. Advantages include:

- Promotes local political support for supervising offenders in local communities.
- Promotes local law enforcement and judicial support for the CBC programs. The CBC District Departments are viewed as part of the local law enforcement community.
- Enhances the District Departments' ability to contract with local service providers.
- Enhances federal grant opportunities as District Departments are considered local entities under federal regulations. Certain funding streams are restricted to local, rather than State agencies.
- Enhances creative community-based solutions to local problems by bringing together judges, attorneys, CBC District Departments, treatment providers, and neighborhood associations

Disadvantages include:

- Unable to monitor revenue and expenditures on a daily basis due to the CBC District Departments not being included in the IFAS database. This includes:
 - Cannot track expenditures by funding source.
 - Cannot analyze budgeted versus actual revenues and expenditures in a timely fashion.
- Lack of uniformity in programs offered to offenders.

At least two options have been considered in the past. These options include placing the CBC District Departments under the direct control of the DOC or requiring the CBC District Departments to utilize the State IFAS and payroll systems. The first option is similar to the administration of the State Prison System. The second option provides financial data while maintaining local control. Either option may result in some budget savings because costs for maintaining local financial systems will no longer be incurred. However, either option would result in a loss of interest income to the District Departments, as the appropriations would be held in the State treasury to pay CBC District Department expenditures.

Please contact me (281-6301) if you have additional questions or concerns.